

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Extended Study Session

January 12, 2015  
6:00 p.m.

Conference Room 1E-113  
Bellevue, Washington

PRESENT: Mayor Balducci<sup>1</sup>, Deputy Mayor Wallace<sup>2</sup>, and Councilmembers Chelminiak, Lee, Robertson<sup>3</sup>, Robinson, and Stokes

ABSENT: None.

1. Executive Session

Deputy Mayor Wallace called the meeting to order at 6:01 p.m., and declared recess to Executive Session for approximately 45 minutes to discuss one item of labor negotiations.

The meeting resumed at 6:46 p.m., with Mayor Balducci presiding.

2. Oral Communications

- (a) Don Marsh, representing the Coalition of Eastside Neighborhoods for Sensible Energy (CENSE), said the Council recently approved a contract with Utility Systems Efficiencies, Inc. (USE) to review the need for Puget Sound Energy's Energize Eastside project. Residents believe USE is qualified to answer engineering questions about the project. However, residents believe there were better choices for the critical task of load forecasting. ECONorthwest, a subcontractor that was not selected, is highly regarded for its expertise in load forecasting. Mr. Marsh said the USE team has limited experience in the areas of economics and land use planning needed to complete a credible load forecast. Bellevue's web site shows the trend of energy usage as flat or declining, while PSE is using older data that does not reflect current conservation levels. Mr. Marsh said PSE will not provide certain data, and there is no agency with the authority to require the release of information. Mr. Marsh asked the Council to hire ECONorthwest or a similarly qualified consultant to address load forecasting. Otherwise, PSE customers will spend \$200 million for a project that might not be necessary. [Mr. Marsh's written comments are included in Council desk packet.]

---

<sup>1</sup> Mayor Balducci arrived at 6:09 p.m. during the Executive Session.

<sup>2</sup> Deputy Mayor Wallace left the meeting at 7:30 p.m.

<sup>3</sup> Councilmember Robertson arrived at 6:05 p.m. during the Executive Session.

- (b) Lynda Ardern, a resident of Bridle Trails, spoke to the dissenting report produced by the Puget Sound Energy Community Advisory Group (CAG) with regard to the Energize Eastside project. She shared portions of an article regarding that report from a December issue of the *Redmond Reporter*, and said she is concerned that she could not find the article in the *Bellevue Reporter*. She said the dissenting report notes that only one-quarter of the CAG's voting members represented neighborhoods, and many affected neighborhoods had no representation at all. Ms. Ardern read excerpts illustrating concerns regarding the lack of data provided by PSE, lack of an analysis of alternatives, and adverse impacts to property values. She would like the *Bellevue Reporter* to publish the article. [Ms. Ardern submitted a copy of the *Redmond Reporter* article.]

Mayor Balducci suggested that Ms. Ardern submit her comments in writing and that City staff send the press release to the *Bellevue Reporter*.

- (c) Larry Johnson, a Newcastle resident representing Citizens for Sane Eastside Energy, said the group was formed in March 2014. Mayor Balducci asked him to share information about his organization with the City Clerk before he returns again to speak. Mr. Johnson, a retired lawyer, made suggestions regarding the City's process in dealing with citizen action groups. He observed that the Council allows people to speak but he is not sure whether they take citizens seriously. He noted a list of fines and adverse findings against Puget Sound Energy by the Washington Utilities and Transportation Commission (WUTC) beginning with a \$1 million fine in 2007 for selling 65,000 customers' private data to an outside marketing firm. In 2008, the WUTC fined PSE \$1.25 million for intentionally falsifying gas pipeline safety inspection records for more than four years. Also in 2008, PSE settled with the WUTC for \$500,000 for failing to resolve 67 gas pipeline safety violations dating back to 2003. Additional actions include, most recently, the Attorney General suing PSE in December 2014 asserting that the "private utility's profit margins are unjustifiably high." Mr. Johnson said the Council has the right to impose moratoria on the Energize Eastside project as many times as needed until the City has complete and reliable information from PSE. Mr. Johnson said that, after PSE presented information to the Newcastle City Council last June, citizens were allowed to speak and engage in conversation with the Council, including one-half hour for CENSE and one-half hour for homeowners associations. [Mr. Johnson submitted his comments in writing.]
- (d) Robin Bentley, Newport Hills, asked the City to purchase the Kirk House in her neighborhood. She has collected a number of financial contributions and signatures from residents who support this request. She described diversity in the neighborhood and the enthusiasm of residents to work together to provide programs and events at the house and property. Ms. Bentley said the Newport Hills area lacks adequate park facilities. The Tyler property has not been developed and is used as an unofficial dog park. Ms. Bentley urged the Council to take advantage of this opportunity to purchase an historic property at a low price for the community. She said Newport Hills has accepted its share of

multifamily and affordable housing, artificial turf, empty commercial buildings, and the lack of sidewalks.

Responding to Mayor Balducci, Mr. Miyake said staff will provide a presentation on the Kirk House property before the house is put up for auction on January 23. He said City staff are also talking with the lender about the auction date and the City's analysis.

Mayor Balducci would like the Council to have the opportunity to consider the proposal in a timely manner.

- (e) Anne Bridgeland talked about the need for a public meeting space in Newport Hills. She said she went around to neighbor's homes earlier that day and spoke with approximately 25 individuals about efforts to acquire the Kirk House. She said the neighborhood has hundreds of meetings annually and residents are forced to go elsewhere for a meeting place most of the time. She said the Kirk House is located within a reasonable distance of the elementary school, and older adults like the idea of easy accessibility to the Kirk House property. She described how the facility could provide a link within the broader park system.
- (f) Bill Hirt said he objects to the City's decision to approve the Sound Transit shoreline development permit and other permits for the East Link project. He said the City is requiring noise mitigation for residents but not for Mercer Slough Park. In 2016, Sound Transit will close the South Bellevue Park and Ride and proceed with light rail construction to include removing thousands of trees and closing lanes on Bellevue Way. Mr. Hirt said light rail service will not be able to take the place of the bus routes that will be lost. He urged the Council to not allow light rail. [Mr. Hirt submitted his comments in writing.]

Deputy Mayor Wallace said Mr. Hirt raises important and interesting questions which the Council will continue to pursue in the coming months. Mr. Wallace said the City needs to continue to insist on the appropriate mitigation. However, refusing to issue permits is not an option.

### 3. Study Session

#### (a) Council Business and New Initiatives

Councilmember Robertson said she would like to hear from staff about whether the consultant selected related to the Energize Eastside project has the capacity and expertise to conduct the load forecasting. She would also like the City to attempt to obtain data from Puget Sound Energy regarding 2012, 2013 and 2014 electrical usage on the Eastside.

Mayor Balducci recalled that the issue of the contractor's experience with load forecasting did come up during the Council's discussion in December. She said the Council would like more

details on staff's evaluation of the firms considered for the independent review of the need for the Energize Eastside project.

Councilmember Lee said he would like to see how the consultants can and will address citizens' concerns about the consultant's qualifications and appropriate expertise. City Manager Miyake said staff will provide more information.

Councilmember Robinson spoke to the Paul Kirk House proposal. She said the Newport Hills neighborhood is very organized and in need of a gathering and meeting space. She would like the City to take a thorough look at the proposal within the timeframe needed.

City Manager Miyake said staff will research the issue and report next week.

(b) LED Street light Conversion Project

City Manager Brad Miyake said the LED Street light Conversion project will convert approximately one-half of the City's street lights to more energy efficient fixtures. He introduced Mark Poch, Traffic Engineering Manager, and Kam Szabo, Senior Transportation Engineer.

Mr. Poch said Ms. Szabo is the lead on the LED street light conversion program, which has already completed a number of pilot projects. He introduced Kyle Potuzak, a senior transportation engineer who has completed analytical and design work for the project.

Mr. Poch introduced Lars Larson from Puget Sound Energy (PSE) in the audience.

Mr. Poch recalled that Bellevue received a grant totaling \$605,000 in December from the Washington State Department of Commerce, with \$266,000 dedicated to LED street light conversion.

Mr. Poch said PSE owns 5,600 street lights in Bellevue, primarily in residential areas. The City pays PSE a monthly flat fee for those lights, which include 280 LED lights.

Responding to Councilmember Lee, Mr. Poch said PSE charges the City for simple installations. For example, PSE will add a street light to an existing wooden utility pole upon request for \$200 to \$300. The City maintains the lights.

The City owns approximately 3,100 street lights, mainly along arterials. The lights are on metered power and the infrastructure ranges from new equipment to lights that are near the end of their useful life. The City has converted 170 street lights to LED to date. A total of 4,242 lights, half of Bellevue's street lights, will be converted to LED, and 4,066 of these are owned by PSE.

Responding to Councilmember Lee, Mr. Poch said the City currently pays \$13 per month for a 100 watt light and will pay \$9 per month for an LED light. That tariff amount is set by the

Washington Utilities and Transportation Commission (WUTC). Mr. Lee said it would be helpful to know how the tariff amount is established.

Mr. Poch described the benefits of converting to LED lights including reduced energy use and cost, longer life lamps (15 years versus four years), reduced maintenance, and a reduction in Bellevue's greenhouse gas emissions. LED lights are dark sky compliant (less light into the upper atmosphere), reduce light spillover to adjacent areas, and use no mercury in the production process. Mr. Poch said the quality of the light is similar to moonlight which provides better color rendition and detail/facial recognition. The street lights that are replaced will be reused elsewhere or recycled.

Mr. Poch said the City benefits from the state grant funding, PSE rebate, and the overall reduction in electrical and maintenance costs. Successful conversion projects have been completed in Seattle (40,000 lights), Olympia (4,000 lights), and Des Moines (1,000 lights). The Commerce Grant (City portion) of the project will convert 176 City-owned fixtures to LED lights and replace lighting at freeway undercrossings. The fixtures to be installed have automated management capabilities for future use including energy monitoring, maintenance alerts, and adaptive lighting.

Mr. Poch said the project will result in an annual reduction of \$173,000 in the operating budget. The two primary changes that citizens will notice is color and glare. The lights do not actually produce more glare but appear brighter because of the white color. Mr. Poch summarized the small number of public comments, positive and negative, since the City began installing LED lights in 2009. He said all City projects will be using LED lights going forward.

Mr. Poch said there will be an article on the LED street light conversion project in the February issue of *It's Your City*. Information is also available on the project web site, social media, and through press releases.

Ms. Szabo displayed the LED Street Light Conversion web page on the City's web site. It provides information on the benefits of the project, the look of the new lights, the LED light conversion schedule, and frequently asked questions. She described how residents can look up their address and see where they are in the installation schedule. She said two neighborhoods in Lake Hills have already been converted.

Mr. Poch said the project budget is \$1.1 million. Revenue from outside sources is \$266,000 from the Commerce grant and \$239,000 in PSE rebates. The net cost to the City is \$596,000. When completed, the City will save \$173,000 annually, resulting in a 3.4 year payback period of project costs.

The project is scheduled to begin by March and to be completed in 2016. PSE's work will be completed in 29 phases, with 100-200 lights per phase. The City's light construction will take place in 2015.

Mr. Poch said there is not currently a plan to replace the remaining City-owned street lights not included in this project. Staff will monitor life cycle costs (energy cost savings versus replacement costs), environmental benefits, available technology versus light level guidelines for types of streets, and the financing of future conversions.

Mr. Poch described the future potential for adaptive lighting, which changes lighting levels based on the needs of the roadway and volume of drivers. Many studies on this technology are underway, and the Washington State Department of Transportation (WSDOT) is using it on a limited basis.

Councilmember Lee expressed support for the project. He said he wants to be sure PSE is receiving its share of the project's benefits. He would like to see the costs and benefits for both PSE and the City. Mr. Poch said PSE benefits in terms of its energy conservation goals. PSE is not contributing financially to the project except for the rebate. PSE is doing the work of replacing the street lights and will receive payment from the project budget.

Mayor Balducci suggested that Mr. Poch provide a standard budget table itemizing financial contributions, including labor if applicable, to the project. She also requested a comparison between the conversion project and how light replacements are currently funded.

Mr. Poch said he will provide more details. He noted that, for City-owned lighting, there is not currently funding for the replacement of the light fixtures. The City's maintenance staff replace the lamps/bulbs but the fixtures are not on a replacement schedule. One advantage of the LED conversion project is that every light will become part of a 15-year replacement cycle.

Councilmember Robertson expressed support for the project. Responding to Ms. Robertson, Mr. Poch said LED lamps cannot be used in the older fixtures. In further response, Mr. Poch said staff will monitor the conversion to LED lights, including actual cost savings, and report back to the Council before determining whether to continue replacing more street lights. In further response, Mr. Poch said all traffic signals have been converted to LED equipment.

Ms. Robertson said she likes the dark sky compliant feature of the lights. She would like to consider a land use discussion about adopting that policy for other development.

Councilmember Robertson said she would like the City Manager to provide the information on this project to the City's consultant performing the load forecast related to the Energize Eastside project.

Councilmember Robinson expressed support for the program and the potential for a revolving fund to finance future projects. Responding to Ms. Robinson, Ms. Szabo said the LED fixtures and lights are recyclable.

Councilmember Robinson said she toured the Weyerhaeuser King County Aquatic Center which recently installed solar panels. She said that is saving the facility \$9,400 per year. She questioned whether the City has considered this for its aquatic center.

City Manager Miyake said staff will schedule an update on the Environmental Stewardship Initiative (ESI) to address broader energy issues.

Councilmember Chelminiak concurred with Councilmember Robertson's suggestion to ensure that the consultant takes this project into consideration when developing the electrical load forecast for Bellevue related to PSE's Energize Eastside project.

Responding to Mr. Chelminiak, Mr. Poch said the City's electric bill for traffic signals went from \$250,000 per year to \$25,000 after conversion to LED lights.

In further response to Mr. Chelminiak, Ms. Szabo said manufacturers' testing and experience in other cities indicates that the LED street lights can reasonably be expected to last roughly 15 years. In cities with six years' experience with LED lighting, there has been no degradation of the lighting level. She noted that Bellevue's cooler climate is easier on the lights than hot climates.

Responding to Mr. Chelminiak, Mr. Poch said the City conducts monthly nighttime surveys of street lights along arterials and lamps are typically replaced within two weeks. Residents may call the City regarding street lights that are out in residential areas, and the City will ensure that PSE follows up to address those instances.

Responding to Mr. Chelminiak, Mr. Poch confirmed that LED lighting provides better uniformity than current incandescent lights. Mr. Poch said it is good to have some variation in lighting because it keeps the eye more keen to details.

Councilmember Stokes expressed support for the program, which clearly has cost and energy savings benefits. He said he recently reported a street light that was out and it was promptly fixed.

Mayor Balducci expressed support for the project. She said the City of Los Angeles began converting lights in 2008 and were taking a bit of a risk, but their expectations seem to be panning out well. She commented that a good feature is how the lights are more focused and less likely to illuminate adjacent properties. However, she cautioned against a drastic contrast between natural darkness and LED lights in terms of creating a blinding effect.

(c) 2014 Fourth Quarter Update on Economic Development Activities

City Manager Miyake introduced the 2014 fourth quarter update on the Economic Development Strategic Plan.

Chris Salomone, Director of Planning and Community Development, introduced James Henderson, the City's new Economic Development Director.

Mr. Henderson said he looks forward to this opportunity to serve as Economic Development Director. He was born and raised in Bellevue and attended Bellevue High School and the University of Washington. His career has focused on both domestic and international economic development. He worked in Washington, D.C., for a number of years related to work in Eastern Europe and the former Yugoslavia. Most recently, he worked for the City of San Antonio as the Assistant Director of Economic Development. San Antonio has four foreign trade offices, three in Mexico and one in Japan. The latter helped bring Toyota manufacturing to San Antonio. He worked on establishing San Antonio's office of military affairs prior to that.

Mayor Balducci welcomed Mr. Henderson and said the Council looks forward to implementing the new Economic Development Strategic Plan.

Mr. Salomone recalled that the Economic Development Plan adopted by the Council in July 2014 contains direct strategies and foundational strategies.

Emil King, Strategic Planning Manager, reported on the direct strategy to: Cultivate Bellevue's next generation of technology entrepreneurs. He described the grand opening of the startup facility operated by extraSlice, a startup catalyst organization. He recalled that a two-year agreement recently established the Impact Hub startup facility in the Lincoln Center north building. That program has approximately 40 members and eight companies with two or more people, and they are planning to start classes over the next few weeks. Tenant improvements are underway to create an event space on the first floor and more work spaces on the second floor. Mr. King said a formal grand opening of the Impact Hub will be held in the spring.

Mr. King said HB 2023 passed by the state legislature in spring 2014 was intended to promote crowdfunding for startups. He said the University of Washington is looking for potential sites in the Bel-Red corridor for its new UW Design and Innovation Center in Bellevue. The UW is partnering with Microsoft and others to address the world's biggest design and technology challenges.

Mr. Henderson said he oversaw the Global Cities Initiative in San Antonio, which is a joint project of the Brookings Institution and JP Morgan Chase. The Seattle Metropolitan Statistical Area (MSA) will be introducing its trade investment strategy at the Economic Development Council's 43<sup>rd</sup> Annual Economic Forecast Conference on January 15. Bellevue is part of the Seattle MSA.

Responding to Councilmember Lee, Mr. Henderson said the Seattle MSA entered the Global Cities Initiative in spring 2014, and Bellevue has been part of the working group in evaluating the data and developing strategies for export promotion and foreign direct investment attraction.

Mr. Lee said he would like the Council to be updated and more involved in this effort.

Councilmember Chelminiak said the Trade Development Alliance and Puget Sound Regional Council (PSRC) have been involved in this effort for some time.



Mr. Henderson said the Consul General V. Ashok from India would be visiting soon to meet with business leaders, Mayor Balducci, and other elected officials and to attend a number of community events. He noted that the dollar value of exports to India from this area increased by 235 percent from 2011 to 2013.

Councilmember Lee noted the large Indian community in Bellevue and suggested focusing on ways to continue to expand that relationship.

Mr. Salomone said the next direct strategy for the update is: Strengthen Bellevue's Tourism and Visitors Cluster. He said the City will meet with the Bellevue Convention Center Authority (Meydenbauer Convention Center) and Visit Bellevue Washington organization early this year to continue to develop a coordinated tourism strategy encompassing business-related and leisure markets. He said Bellevue's hotels are relatively full serving business customers during the week. However, there is an interest in attracting a broader base of tourist activity with new hotels coming on line in the near future.

Mr. Henderson provided an update on the direct strategy to: Develop a Multi-pronged Economic Development Marketing Campaign to raise awareness of the City's goals, opportunities available in Bellevue, and the City's willingness to facilitate investment. One component is upgrading the City's Economic Development web site to promote the City's vision and goals. He noted opportunities to partner with the business community and other Eastside cities.

Responding to Councilmember Lee, Mr. Henderson said the Joint Base Lewis McChord population is expected to decrease somewhat significantly, which will affect the broader regional economy.

Mr. Lee said a Korean group would be visiting on January 15, and he suggested that Mr. Henderson attend the morning meeting.

Mr. Salomone provided an update on the Foundational Strategy related to High Speed Connectivity. A cross-departmental team has been working with three private providers to roll out new technologies and services for residents and businesses. A range of City demonstration projects are anticipated to showcase future service enhancements.

Mr. Salomone said they hope to hire an Economic Development Manager by March. He thanked the Council for the support provided in the 2015-2016 Budget.

Next steps are to continue to work on a number of priorities including further development of Bellevue as an international gateway for business, focusing on startups and entrepreneurs, marketing, funding for Visit Bellevue Washington tourism development, and potential projects under the Opportunity Fund. Staff is developing metrics to track the results of these activities and will continue to provide quarterly updates to the Council.

Councilmember Lee said it would be helpful to have periodic written summaries of all economic development activities.

Councilmember Robinson welcomed Mr. Henderson. She observed that an Economic Development Manager with technology sector expertise would be good compliment to his extensive experience. She suggested it would be great to have a startup/incubator open house. Mr. Salomone said perhaps that could be coordinated as part of the official grand opening at Impact Hub in March.

Councilmember Stokes concurred with Mr. Lee's suggestion for a brief written update on economic development activities. He observed that one of the hallmarks of vibrant and economically successful cities is the level of arts and cultural amenities. He said an update on the status of the Performing Arts Center Eastside (PACE) project is anticipated in the near future.

Councilmember Lee said the City must continue to work with regional entities while also promoting the special contributions and assets of Bellevue.

Mayor Balducci thanked staff and suggested they call on the Council for anything they might be able to do related to economic development activities.

At 9:05 p.m., Mayor Balducci declared the meeting adjourned.

Myrna L. Basich, MMC  
City Clerk

/kaw